# GOVERNMENT OF INDIA
# TEXTILES
# LOK SABHA

UNSTARRED QUESTION NO:1247
ANSWERED ON:26.11.2007
MODIFIED VOLUNTARY RETIREMENT SCHEME
Rawale Shri Mohan

**Will the Minister of TEXTILES be pleased to state:**

(a) the details of Modified Voluntary Retirement Scheme offered by National Textile Corporation (NTC) alongwith the number of persons availing the said scheme;

(b) whether the employment opportunities have been created in the revived/modernized NTC mills;

(c) if so, the details thereof alongwith the terms and conditions stipulated for recruitment in these mills;

(d) whether the Government proposes to give priority in employment to the children of retrenched workers of closed mills;; and

(e) if so, the detail thereof?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): As on 01.11.200``, total 55726 employees have opted for Modified Voluntary Retirement Scheme (MVRS) and an amount of Rs.1955.23 croreii has been paid to them as compensation. Copy of the Modified Voluntary Retirement Scheme is at Annexure.

(b) & (c): Employmert opportunities will be created in the revived/modernized mills as per work load norms of Textile Research Associations and demand of textile industry.

(d) & (e): There is no provision in the approved revival scheme for giving priority in employment to the children of retrenched workers of closed mills. The mills have been closed under Industrial Disputes (ID) Act and all the employees who have gone under MVRS have been given attractive extra compensation.

NATIONAL TEXTILE COPHFORATION L [MITEDfHOU)ING COMPANVWODIFIEP VOLUNTARY RETIREMENT SCHEME (MVRS)

1.0 SCHEME, SCOPE AND ELIGIBILITY
SCHEME

1.1 In supersession of Revised Voluntary Retirenem Scheme circulated vide letter No. NTC/ VRS/15/2000 datsd 19`` June, 2001, a Modified Voluntary Retirement Scheme vide DPE`s DM No. 2(32)/97`DPE(WC.I/GL/L-VI dated fi`1 November, 2001, and with the approval of MOT vide letter No 18011/7/94 dated 14.12,2001 is introduced to rationalize surplus manpower and reduce its losses.
1.2 The Scheme has been categorized :Â« Modified Voluntary Retirement Scheme (MVRS). The scope, eligibility, benefits, etc. are given hereunder :-

SCOPE
1.3 The scheme shall apply to all regular/permarent employees, bad I i/siibstitiiie/temporary/ casual workers (by whatever name called) who are within the sanctioned strength and whose name appear in tEie muster /oil of 39 mills as per Annexure-H in the phase-I and 21 Mil`s as per Annexure-111 in the pliase-ll. However, the scheme will be extended only in 20 mills as per Annexure-I immediately and the date of applicability in other mills will be notified in due course.

ELIGIBILITY
1.4 MODIFIED VOLUNTARY RETIREMENT SCHEME (MVRS)
Regular/Permanent employees, Bad/Substittrte.Temporary/Casual workers (by whatever name called and ?re being paid regular wages) within the sanctioned strength and whose name appear in lhe muster toll of NTC Mills as indicated in para 1.3 above are eligible to opt for voluntary retirement by tendering resignation from the post held in NTC in the prescribed form. The benefits under the Scheme are given at para 3.1. The Trainees under any scheme are not eligible for MVRS.
1.5 The age of superannuation/retirement shall bi treated as 58 years as applicable or as specifically provided for in (he Certified Standing Orders/Agreements/A wards by the Company which are legally enforceable. An employee shall not be eligible to alter his date of birth once declared and accepted in the service/PF records. The management of NTC shall not entertain any request/plea for change in date of birth. Retirement benefits under this scheme shall be calculated and paid as per the original declaration/evidence of date of birth or us furnished in original Provident FuniJs records, whichever is earlier.
1.6 The management reserves the right, to refuse a MVRS application without assigning any reasons. Further applications for MVRS

in respect of the 1.6.1 & 1.6.2 may be put up before Board, of Director for cons deration :-
1.6.1 Where disciplinary proceedings arÂ« either pending or are contemplated against the employee concerned for imposition of snajor penalty.
1.6.2 Where prosecution in a Criminal Court is contemplated or may have already been launched,in any Court of Law ; and
1.6.3 Employees who resign from the service of the Company in a normal manner are not entitled to MVRS.

2.0 COMPETENT AUTHORITY
2.1 The Competent Authority for accepting an employees` offer for MVRS as applicable, shall be trie Appoiming Authority. In the case of workmen working in a mill, General Manager (Head of the mill unit, when no General Manager is appointed) of the mill shall be the Competent Authority except in the cases referred at 1.6.1 & 1.6.2 above in whose case acceptance or otherwise shall be Board of Director.

3.0 BENEFITS UNDER THIS SCHEME.
An employee whose offer for Modified Volurtary Retirement is accepted, shall be entitled to the compensation, details of which are given in the succeeding paragraphs.

MODIFIED VOLUNTARY RETIREMENT SCHEME (MVRS):-
3.1.1 Ex.gratia payment equivalent to 35 day; for every completed year of service and 25 days for the balance of service left until superannuation. The compensation will be subject to a minimum of Rs. 25.000/- or 250 days salary whichever is higher. However, this compensation shali not exceed the sum of rhe salary that the employee would draw at the prevailing level for the balance of the period left before superannuate.
3.1.2 The additional ex-gratia compensation payable to an employee shall be as under:-

(i) Where there was no wage revision after 01.01.1987 additional compensation of 100% of the eligible ex-gratia amount as per para 3.1.1.

(ii) Where there was no wage revision after 01.0 .1992 additional compensation of 50% of the eligible ex-gratia amount as per para 3.1.1.
3.1.3 Salary for purpose of VRS will consist of Basic Pay+DA + HRA only. Any amount of adhoc award wil not be taken into account for this purpose.
3.1.4 Arrears of salary/wages paid due to revision, etc. will be included in computing the eligible amount and difference would be paid.
3.1.5 Payment ofBonus as per provisions in the Act.
3.1.6 For Ihe purpose of reckoning a month while calculating Ex-gratia amount, it shall be reckoned as 30 days in a month Further, compensation for proportionate month is also to be taken into account far caiculition for the ex-gratia.
3.1.7 In the case of Badli workers compensation will be paid @ 35 days for every completed year and 23 days compensation for ihe remaining service irrespective of minimum requirement of 240 days service in year (as in the case of permanent employees) once their names are borne on tile muster roll of the mill.

4.0 THER TERMINAL BENEFITS UNDER THE SCHEME.
4.1 Balance in the provident funds accounts payable as per Employees Provident Fund Act and rules made thereunder
4.2 Cash equivalent of accuimi lated earned leave/privilege leave as per the rules of this mills/office, concerned.
4.3 Gratuity as per Payment of Gratuity Acl or the Gratuity Scheme, if any.

5.0 PROCEDURE
5.1 An eligible employee may submit an application in the prescribed form for voluntary retirement under the scheme by tendering resignation from the post held and service in NTC to the Competent Authority. The post falling vacant as a result of an employee`s voluntary retirement under the scheme shall in aii cases stand abolished simultaneously while accepting resignation and order to that effect issued simultaneously before disbursing retirement benefits to employees under this scheme and no person (Penmanent/Badli/Substittite /Temporary, etc.) shall be engaged in his/her plao.
5.2 The abolition of`a vacant post shall not be (rested as a substitute for abolition of an occupied post. In exceptional cases and for reasons to be recorded in writing a corresponding manned post (not vacant post) can also be abolished. Orders to this effect shall be issued before accepting resignation and disbursing retirement benefits.
5.3 An employee retiring under this scheme shall not be eligible for appointment in any Miils/Office/retail Showroom etc. of NTC Group in any capacity, whatsoever.
5.4 The existing permanency level shall not be increased and no badti/temporary/cssual converted into permanent.
5.5 All payments under this scheme shall be made by crossed Account Payee cheque only in favour of the retiring employee. The cheque shall be handed over to the retiring employee only after he/she affixes his signature/thumb impression in token of its receipt, which shall be countersigned by at least two witnesses. In the case of workmen in the mills. Labour Welfare Officer and the Security Officer of the mills concerned shall also countersign.
5.6 The period of any type of training, e.g., Management Trainees, Trainee Supervisors or Company Trairee, like apprentice training before being absorbed in regular grade in continuation of training will no1 be taken into account for reckoning the length of service in the Company.
5.7 In the case of show-room employees of Re tail Marketing Division the calculation of compensation/ex-gratia will be on the basis of their salary plus average of incentive/ commission earned by them over a pe iod of best five years.
5.8 The Modified Voluntary Retirement Scheme is also applicable to Casual/Temporary (by whatever name called) workers of NTC mill ptovided they had worked for minimum 240 days in a year.
5.9 Payment under the scheme is subject to employee`s vacating Company`s accommodation or leased accommodation, returning of ail Company`s properties held by him/her and payment of all outstanding dues to the Company.
5.10 Once an employee avails himself/herself voluntary retirement from a PSU, he/she shall not be allowed to take up employment in any other PSU. If he/she desires to do so, he/she shall have: to return he VRS compensation received by him/her to the PSU

concerned. Where the compensation was paid out of a Government grant, the PSU concerned shall remit the refunded amount to the Government. In case the PSU is already closed/merged, the VRS compensation shall be returned directly to the Government.

6.0 METHOD OF CALCULATION OF GRATUITY

6.1 GRATUITY ;- Gratuity shall be calculate as per provisions contained in the Payment of Gratuity Act, 1972, as amended from time to time.

7.0 AMENDMENTS

7.1 CMD of NTC (Holding Company) shall be competent to modify/alter/amend the said scheme.